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中國碳中和發展集團有限公司
China Carbon Neutral Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1372)

VOLUNTARY ANNOUNCEMENT

Completion of Acquisition of a 60% Equity Interest in Zailiang New Energy and Launch of “Neutralization New Energy” Brand

This announcement is made by China Carbon Neutral Development Group Limited (the “Company”, together with its subsidiaries, the “**Group**” or “**China Carbon Neutral**”) on a voluntary basis, to inform the Company’s shareholders and interested investors of the latest developments in the Group’s business.

The Board of Directors (“the **Board**”) of the Company is pleased to announce that the wholly-owned China Carbon Renewable Energy (Shenzhen) Limited, has completed the cash acquisition of a 60% equity interest in Henan Zailiang New Energy Limited (“**Zailiang New Energy**”). Zailiang New Energy is an approved lithium battery recycling white-listed enterprise by the Ministry of Industry and Information Technology of China, with one of the only 52 graded utilization licenses nationwide. It possesses research and production capabilities in energy storage equipment and charging pile systems, as well as core technologies in battery sorting assessment, cell assembly balancing, operation maintenance and economic evaluation. Its main business includes the graded utilization, dismantling, recycling of lithium batteries for new energy vehicles, as well as the disposal and recycling of waste electrical and electronic products, and the sale of used goods. Application scenarios include communication base stations, highway charging stations, mobile charging vehicle energy storage systems, mobile backup systems, and home energy regulation systems. The Group has established Zhonghe New Energy Limited in Hong Kong and officially launched the “Neutralization New Energy” brand. 

Reasons and benefits of acquisition

The Board believes that under the initiatives of dual carbon emissions, the markets in emerging sectors, such as photovoltaics, wind energy, storage energy, hydrogen energy and renewable energy have board prospects for development. In the trend of new energy transition, the recycling of lithium batteries is entering a rapid growth period of the industry. The layout of new energy industry is an important element in the Group’s carbon neutrality technology development. The acquisition and the launch of

the “Neutralization New Energy” brand signify the substantial entry of the Group’s new energy strategy into the fields of photovoltaics, energy storage, and renewable energy. This move will help strengthen the Group’s leading advantages in related fields and generate favorable financial return.

The aforesaid transaction does not constitute a notifiable or connected transaction of the Company under Chapter 14 or 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
**China Carbon Neutral
Development Group Limited**
Shao Tao
Chairman

Hong Kong, 22 October 2023

As at the date of this announcement, the Executive Directors are Mr. Shao Tao, Mr. Zhong Guoxing, Mr. Di Ling and Mr. Lu Xiangyong; and the independent non-executive Directors are Mr. Wang Anyuan, Mr. Wang Jiasi and Dr. Dai Fan.